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EX PARTE – VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
c/o Natek, Inc.
236 Massachusetts Avenue, N.E.
Suite 110
Washington, DC 20002

RE: Notice of Ex Parte Presentation: In the Matter of 2000 Biennial Regulatory Review -- Requirements Governing the NECA Board of Directors under Section 69.602 of the Commission's Rules And Requirements for the Computation of Average Schedule Company Payments under Section 69.606 of the Commission's Rules, CC Dkt. No. 01-174.

Dear Ms. Dortch:

Today, Ken Levy and Rick Askoff of the National Exchange Carrier Association (“NECA”), and Judith L. Harris of Reed Smith, LLP met with Carol Matthey, Deputy Bureau Chief, Wireline Competition Bureau (“WCB”), and Sharon Webber, Deputy Chief, Telecommunications Access Policy Division, WCB, regarding the above-referenced proceeding.

The purpose of the meeting was to discuss simplification of the average schedule process, as summarized in the attached document. A copy of the attached was provided at the meeting.

This notice is being submitted pursuant to Section 1.1206(b)(2) of the Commission’s Rules, 47 C.F.R. §1.1206(b)(2).

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If you have any questions regarding this correspondence, please do not hesitate to contact us.

Respectfully submitted,

The National Exchange Carrier Association

By: // Judith L. Harris

Judith L. Harris
REED SMITH, LLP

Its Attorneys

cc: Carol Matthey
Sharon Webber

Average Schedule Simplification

❖ Background

- Two Annual Filings:
 - December 31 access formulas
 - October 1 USF (HCL & LSS) formulas
 - Extensive documentation, data, exhibits, supplied with each.
- Four annual review proceedings:
 - (1) Pricing Policy Division issues order on access formulas in June
 - (2) NECA includes revenue requirements in annual tariff filing.
 - (3) TAPD issues order on HCL & LSS formulas in December
 - (4) USAC includes revenue requirements in next quarterly filing.
- Access Formulas approval process has become routine.
 - Overall year-to-year access formula changes range from –5.6% to +4.0%
 - Minimal participation by commenters
- USF Formulas approval process, formerly contentious, is now routine.
 - But Applications for Review and/or PFR's still pending on 2000, 2001, 2002 and 2003 formulas.

❖ Procedural Status

- **2000 Biennial Review:** January 17, 2001 FCC *Report* accepted staff recommendations to consider average schedule simplification.
- **2001 Notice of Proposed Rulemaking** issued in CC Docket No. 01-174 sought comment on simplifying the average schedule process, including various options to streamline the manner in which average schedule formulas are developed by NECA, and options to streamline review and approval cycles (*e.g.* 7 or 15-day review).
- **2002 Biennial Review:** December 2002 *Staff Report* recommended that the FCC consider simplification.

❖ Proposed Simplification Approach:

- Focus on Procedural Simplification
 - Shorten notice periods.
 - Revise rules so that formulas are deemed approved on scheduled date unless FCC acts to investigate.
 - Encourage NECA to work cooperatively with FCC staff to reduce filing documentation levels.